

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

ACCOUNTING ORDER
(CMP)

December 31, 2002

MAINE PUBLIC UTILITIES COMMISSION
Interim Electric Conservation Programs

Docket No. 2002-161

MAINE PUBLIC UTILITIES COMMISSION
Procedures for Conservation Program
Planning

Docket No. 2002-162

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

Beginning on June 20, 2002 and ending on November 7, 2002, the Commission Staff held a series of technical conferences with interested stakeholders to address the issue of what amounts were currently included in Central Maine Power Company's rates for conservation programs. On November 15, 2002, we received a letter from Central Maine Power Company (CMP or Company) which stated that CMP and the Staff were now in agreement that the following amounts have been or currently are included in CMP's rates for conservation programs:

<u>Date</u>	<u>Amount</u>
March, 2000 through December, 2000	\$.001523 per total kWh delivered
On and after January 1, 2001	\$.002142 per distribution kWh delivered ¹

At the present time, the Commission is assessing CMP the maximum amount allowed for conservation programs pursuant to 35-A M.R.S.A. § 3211-A, \$.0015 per total kWh delivered. CMP requests, to the extent that the amount included in rates for conservation programs exceeds the assessment level, that it be directed to create a regulatory liability which would be flowed back to ratepayers as part of the Company's annual Alternative Rate Plan (ARP) price changes. In addition, CMP requests that to the extent that the amount recovered in rates falls below the funding amount that the funding amount be decreased to be equal to the recovery amount.

¹ The higher per kWh charge beginning in January, 2001 reflects the fact that conservation program costs were allocated entirely to CMP's distribution revenue requirement when CMP's rates were unbundled in *Central Maine Power Company, Request for Alternative Rate Plan (Post-Merger "ARP 2000")* Docket No. 99-666, Order (Nov. 16, 2000) and not to an increase in the conservation program funding amount.

Based on the information collected during the informal discovery process, we find that amounts agreed to by CMP and our Staff as being collected in CMP's rates for conservation programs are reasonable. At the present time, this level exceeds the amount that CMP is being assessed for conservation. We, therefore, agree with CMP that it should create a regulatory liability and defer and ultimately flow back to ratepayers any amounts collected in rates for conservation programs in excess of the Commission's assessment. At this time, however, we do not grant CMP's request that the funding assessment amount be decreased if the amount of the assessment exceeds the amount included in rates. We find this request is beyond the scope of an accounting order request. Should CMP wish to lower its assessment for conservation programs, such a request should be made as part of the Commission's program funding determination process. In the meanwhile, however, should CMP's assessment exceed the amount recovered in rates, CMP is authorized to create a regulatory asset and defer such costs for future recovery in rates on similar terms and conditions to the deferrals of over-collected conservation program revenues.²

Accordingly, we

O R D E R

1. That for the months of March 2000 through December, 2000, Central Maine Power Company is considered to have collected \$.001523 per total kWh delivered for conservation programs. For the period beginning January 1, 2001 CMP shall be considered to have collected \$.002142 per distribution kWh delivered.
2. That CMP is authorized to create a regulatory liability and to defer for future flow-back to ratepayers amounts collected in rates which exceed CMP's conservation program assessment.
3. That CMP's request that it be authorized to reduce its conservation program assessment should the level exceed the amounts collected in rates is denied. CMP is authorized to create a regulatory asset and defer for future recovery in rates any under-collections for conservation program costs.
4. Amounts deferred pursuant to this accounting order shall accrue carrying costs at CMP's short term borrowing rate.

² We will consider the issue of whether the amount included in rates for conservation programs can or should be adjusted to more closely reflect the assessment amount during CMP's next annual ARP price change proceeding.

Dated at Augusta, Maine, this 31st day of December, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond

COMMISSIONER ABSENT: Nugent

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.